

BEFORE THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE

May 7, 2002

IN RE:

**UNITED CITIES GAS COMPANY, a Division of
ATMOS ENERGY CORPORATION
INCENTIVE PLAN ACCOUNT (IPA) AUDIT**

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**DOCKET NO.
01-00704**

ISSUES LIST FOR AUTHORITY STAFF PARTICIPATING AS A PARTY

The Tennessee Regulatory Authority staff participating as a party in this matter hereby submits the following list of issues:

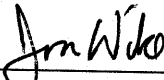
1. Whether United Cities Gas Company's ("United Cities") treatment of alleged savings associated with "avoided costs" resulting from negotiated transportation contracts as a separate category of costs subject to United Cities' Gas Procurement Incentive Mechanism (the "Incentive Mechanism") is consistent with the Authority's Final Order (the "Final Order") on Phase II in Docket No. 97-01364, issued on August 16, 1999.

2. Whether United Cities' treatment of alleged savings associated with "avoided costs" resulting from a negotiated gas supply agreement for requirements from the East Tennessee-NORA Gas Pipeline as a separate category of costs subject to the Incentive Mechanism is consistent with the Final Order.

3. Whether United Cities' failure to include excess gas costs reflected in United Cities' calculation of its Reserve Margin as part of the calculation of cost savings or losses under

the Incentive Mechanism is consistent with the Final Order.

Respectfully submitted,



Jon Wike
Counsel for Authority Staff
Participating as a Party

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
615-741-3191

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of May, 2002, true and accurate copies of the foregoing were served by facsimile to:

Joe A. Conner, Esq.
Baker, Donelson, Bearman, & Caldwell, P.C.
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450

Timothy C. Phillips, Esq.
Office of the Attorney General
Consumer Advocate and Protection Division
425 Fifth Avenue North, Third Floor
Nashville, Tennessee 37243



Jon Wike